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TAGS: [PGOV](#) [PREL](#) [SENV](#) [EIND](#) [IC](#)

SUBJECT: Iceland: One third of voters still undecided two weeks
before parliamentary elections

Refs: A) Reykjavik 114

B) Reykjavik 125

1. (U) Summary: National opinion polls taken two weeks out show the current government coalition holding a slim lead ahead of Icelandic parliamentary elections on May 12. The larger of the two parties in government, the Independence Party, has gained in strength enough to offset losses by its junior partner, the Progressive Party, according to current polls. However, nearly a third of voters are undecided at this late stage. This may be due to a popular sense that environmental issues have lost their "flavor of the month" status after a local referendum put the kibosh on aluminum smelter expansion plans in a suburb of Reykjavik. As a result, no single issue is driving voter preferences. This may play into the hands of the current government, or, as some pundits argue, could open the door for a (possibly unstable) three-party coalition to take the helm. End summary.

2. (U) Gallup and daily newspaper Frettabladid each released their latest polling data on voter preferences over the weekend of April 28-29, two weeks ahead of Icelandic elections to the Althingi (parliament). The results were as follows:

Percentage of voters expressing a preference (Gallup/Frettabladid):

Independence (IP): 39/40
Social Democratic Alliance (SDA): 21/23
Left-Green (LG): 21/18
Progressive (PP): 10/10
Liberal (LP): 5/5
Iceland Movement (IM): 2/3

Undecided/no preference stated: 18 and 35 percent of respondents, respectively.

3. (U) The Gallup data shows a decline for the IP from previous polls, though the party has gained in comparison to its standing in previous Frettabladid polling (Ref A). In all other respects, the two polls show roughly the same trends. The PP's slide has stopped, though the party will lose roughly half its current seats in the Althingi. Though the "right-green" Iceland Movement seems to have peaked in support, it still looks set to undermine the Left-Green party's dreams of riding a "green wave" to power as the larger member of a two-party leftist government. That said, the Social Democratic Alliance would still be forced to deal with the LG as equals rather than a fringe party.

4. (SBU) Most significantly, the results show the current IP-PP coalition holding power, though only by a single seat once results are broken down by voting district. Some here have fallen back on conventional wisdom dictating that the Independence Party always performs worse than the polls indicate, while the Progressives generally do better than expected. (Note: A prominent counter-example to the latter was the Progressive's dismal

performance in municipal elections across the country last year, forcing then-party leader and PM Halldor Asgrimsson to resign. End note.) If the PP fails to live up to its end of this "bargain," however, it would open the door to a center-left coalition of the SDA, Left-Greens, and Progressives. One prominent former Prime Minister views this as the most likely outcome, and told Reykjavik's diplomatic corps at an off-record briefing that this would usher in a period of political instability given the strong differences on economic and industrial policy among these three parties.

15. (U) A large part of the instability reflected in these polls is the share of undecided voters (over a third in the Frettabladid poll, which featured a larger sample size) just two weeks prior to the election. Observers point to the town of Hafnarfjordur's March 31 referendum on expansion of the aluminum smelter there, which opposition parties hoped to use to build momentum heading into the Althingi elections (Ref B). After the town voted to reject the expansion plans, environmental issues seem to have lost their salience for a large part of the electorate. The Frettabladid poll indicated that among the same respondents environmental issues have slipped to fifth (previously first) on the list of key election matters, behind social welfare, education, the economy, and taxes. Pundits argue that the Hafnarfjordur vote served as a catharsis for voters outside the town, who now feel free to vote their preference without having to use their vote on a purely environmental message.

16. (SBU) Comment: As the opposition parties appear to be searching for a new key issue now that environmental protection has lost some of its resonance, the government parties continue to hope that they will enjoy the advantage of incumbency and Iceland's recent economic prosperity. If predictions of a three-party center-left coalition are to be believed, a poor showing by the Progressives may indeed put them in a stronger "kingmaker" position than they would be by throwing their lot in with the Independence Party. IP stalwarts have told Post that a continued IP-PP coalition would reflect the PP's diminished share more so than the current government, in which

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the Progressives hold fully half the cabinet seats. The Progressives may feel they would have more leverage in an SDA-LG-PP coalition to get the ministries they want, though it is hard to imagine what policies and programs such a government could agree on.

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